

Unit



Mechanism for Customers to Choose Right Products

In retail business, products are highlighted in demand as per customer needs. Products are kept in display after analysing the demand and to help customers select the required product. This can be done by identifying products and developing an effective product list. Further to specify, customisation of products depends upon the skills to sort and narrow down choices using categories varying upon the demands and necessity of the products.

Educating the customers is another way to help them select the product that best fits their needs, the more customers know about a product, the better it suits them to make a purchase decision.

There is a focus on demonstrating the ability of a retail team to assist in choosing the right products as per the needs. In retail business, the product with maximum demand must be made available instantly to deal flexibly with customer choices.

The sales associate has to take up duties and responsibilities in segmenting the sales to attain maximum profits and turnover in a business. The sales segment in a retail business plays a vital role in delivering a smooth flow of products.

A perfect display of the product will have a wider range of customers in need of specific products. The sales associates have to take up the demonstrative procedures in a logical manner to cater to the choice of customers. The customers always have the tendency to get maximum through minimum investments. In such a situation, a smart and efficient sales associate will perform to deliver the best output as per the customer needs by adopting various logical steps to demonstrate his or her skills and also getting the maximum sale turnover.

A sales associate has to provide the perfect service delivery for customer and the techniques required for the closing of sale. Assessment activities given after each session can give an insight to train students in developing skills and knowledge to get themselves fully aware of the roles carried out by the sales associates in retail business. Also, the students will grasp the techniques of demonstration, so that the retailer can adopt the skills, whenever needed in the job prospective.

Smoothly channeled process and techniques adopted in business during handling of the sales will give maximum customer satisfaction and also deliver chance for better profits in retail business.

With this in view, the present Unit titled 'Mechanism for Customer to Choose Right Products' has been divided into four sessions. The first session discusses the method of selling, the second session deals with sales promotion activities, the third session highlights the methods for responding to questions and comments, and the last session explains the techniques for closing a sale.

SESSION 1: METHODS OF SELLING

Sale is an act of selling a product in return for money. It is the beginning of a relation between customer and vendor or extension of that relationship. There are various options available with which sales can take place.



Fig. 3.1 Sales target

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Retail selling methods

The various retail selling methods are as follows:

(a) Direct sales: It refers to the direct personal demonstration and sale of products and services to the consumer. It consists of two business models, i.e., single-level marketing and multilevel marketing. A direct sale makes money by selling products directly to consumers.

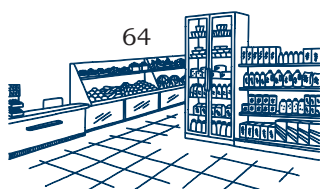
(b) Proforma sales: The term 'proforma' is used to describe a document that provides as a courtesy or satisfies minimum requirement, conforms to a norm or decisive, tends to be performed as a formality. The proforma sale refers to sales quote which is prepared in the form of proforma invoice.

(c) Agency-based: It is a contractual arrangement, in which the agent has the right to negotiate on the sale of principle's goods and services. In exchange the agent gets a commission or fee. The various types of agents who are involved in agency-based sales are:

- Sales agents
- Sales outsourcing through direct branded representation
- Transaction sales
- Consultative sales
- Consignment sales
- Telemarketing or telesales
- Retail sales

(d) Travelling salesman: They are a representative of a firm who visit shops and other businesses to show samples and gain orders. They are also called commercial traveller, door-to-door salesman or hawker.

(e) Auction sale: It is a public sale. Customers who are willing can participate in an auction. Goods are sold to the highest bidder, i.e., one who has quoted the highest price.



(f) Business-to-business (B2B) sales: It refers to sales made by other businessman rather than an individual customer. An industrial or professional sale involves selling from one business to another.

(g) Electronic-based sales: It is a web-based sale. It includes both business-to-business and business-to-consumer sales. For electronic-based sale Electronic Data Interchange (EDI) is used.

(h) Indirect sales: Indirect sales are the sale of a good or service by a third party, such as a partner or affiliate rather than a company's personnel.

Meaning of arrangement of products for sale in store

The products from different manufactures are displayed in retail stores. These products are arranged in a systematic manner in shelves based on the space provided in the stores. The display of goods is prioritised on the basis of the manufacturer's competitiveness as some of them buy from the display window section and the floor space to promote their products.

Need for arranging products

Product arrangement in a retail store is a critical element for its success. The products are divided section wise, giving a clear view of all the products available in store, and making it easy for the customer to pick up the products as they move in the store. The arrangement of the products in this manner also improves the profit of the retail store. Rearrangement of products is done for the following reasons:

- **Repeat customers:** The basic reason for companies to rearrange products is to give their stores a fresh look. This keeps current customers come back to the store. Rearrangement of products displays more products to the customer, so that they visit again, and simultaneously sales volume increases.
- **Sales promotion:** Retailers rearrange products for sales promotion. Rearrangement of stock increases customers.

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- **Brand image:** Some retailers rearrange products routinely to maintain their brand image. Monthly rearranging of products and changing of colour schemes is essential in building new and fresh style of product arrangements.
- **Seasonal:** Retailers display products in one area. The retailers rearrange to display seasonal products.

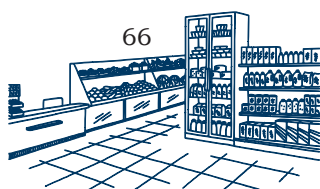
Procedure for arranging the products

The process of arranging products in a retail store compels activity. The arrangement of product is very much affected by the store plan choice, including the size of the store, the type of product to be sold and the extent of customer focus required on a product. There are certain ways to be focused upon for arranging a product in the store, which are based on the following.

- **Straight floor plan:** In this floor plan, a retailer arranges products in a straight line. It is the most commonly used floor plan in the Indian retail industry and is economical as well.
- **Diagonal floor plan:** This type of floor plan has more visibility for the store staff and customers. It requires a small space for arranging the products.
- **Angular floor plan:** It gives a spacious look with a lot of space. This type of floor plan is used by high-value and high-end retailers. This reduces the display area and focuses only on few popular products.
- **Geometric floor plan:** In this floor plan, a retailer uses racks and other fixtures to create a different style of floor plan. This layout is used for trendy products like cosmetics, watches, etc.

Identifying products responsible for sale

Customer service associates (CSA) in a retail store are responsible for identifying the products that are to be sold. Here are few steps that help the CSA in identifying the products for sale.



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1. He or she must have full information about the retail store and the products that are being sold.
2. The CSA must follow the instructions given by the store manager or supervisor regarding the stock that is to be received from different manufacturers.
3. The store manager or supervisor allocates the product sections to the CSA. The product sections in a retail store will be like vegetable section, housekeeping material section, stationery section, clothes section, etc.
4. The CSA is responsible for the section allotted to him or her and must hold full record regarding the stock received from the manufacturers till the product is sold.
5. The CSA must have complete knowledge about the product being allotted to him or her and must possess the skills to sell it to the customers.

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Practical Exercise

Activity 1

Field visit to learn the methods of selling

Materials required

Notebook, pen or pencil and checklist

Procedure

1. Visit two malls or retail organised stores near your place.
2. Observe their selling methods.
3. Speak to a salesperson and management regarding their selling methods.
4. Write a comparative report on both the malls or stores selling methods with your suggestions.
5. Submit the report to your teacher.

Check Your Progress

A. Fill in the blanks

1. _____ is the act of selling a product or service in return for money.
2. _____ refers to a sales quote which is prepared in the form of proforma invoice.

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3. _____ sale is public sale.
4. Some retailers _____ products routinely to maintain their brand image.

B. Multiple choice questions

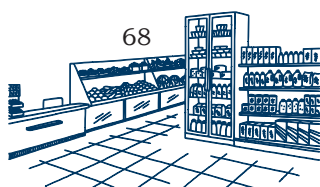
1. The display of goods is prioritised on the basis of the manufacturer's _____.
 (a) competitiveness
 (b) sale
 (c) demand
 (d) None of the above
2. _____ sale refers to sales made to other businesses rather than individual consumers.
 (a) B2B
 (b) B2C
 (c) B2D
 (d) None of the above
3. In electronic-based sale _____ is used.
 (a) EMI
 (b) EDI
 (c) EMC
 (d) None of the above
4. Indirect sales are the sales of a good or service by a _____.
 (a) manufacturer
 (b) seller
 (c) third-party
 (d) None of the above

C. State whether the following are True or False

1. B2B is means business-to-business.
2. The products are divided section-wise in a retail outlet.
3. The retailers need not rearrange to display seasonal products.

D. Match the columns

	Column A		Column B
1.	Straight floor plan	A	Earn profit and commission
2.	Diagonal floor plan	B	Telemarketing sales
3.	Angular floor plan	C	Unique store feel
4.	Geometric floor plan	D	Self-service shop
5.	EDI	E	Racks are straight live
6.	Agency-based sales	F	Curves and angles
7.	Multilevel marketing	G	Standard for structuring information



E. Short answer questions

1. What are direct sales?
2. Define proforma sales.
3. What is meant by agency-based sales?
4. What is auction sale?
5. Who is a repeat customer?

F. Long answer questions

1. Explain the various methods of selling.
2. Discuss the need for arranging products in a retail store.
3. Explain the procedure for arranging products in a store.
4. Elaborate the steps adopted in identifying the product responsible for sale.

G. Write short notes on

1. Promotion activities
2. Point-of-sale display
3. Trade incanting
4. In-store activity

H. Check your performance

1. Classify the methods of selling in retail.
2. Prepare a chart on different methods of selling in different retail formats.
3. Demonstrate the checking of product packaging.

SESSION 2: SALES PROMOTIONAL ACTIVITIES

Sales promotion is the fastest growing area of the marketing activities. It is a major component of promotion which helps the retailer in improving the sales and generate higher profits. Promotion is like communicating with an audience through a variety of non-personal and non-media channels. In sales promotion, the firm provides special offers to customers, such as providing discounts, etc. Offers are direct proposition, which form a part of the deal. Thus, sales promotion stands for all those activities, which supplement, coordinate and make an effective effort of personal selling and advertising.



Fig. 3.2 Sales promotion activities

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It increases sales and also stimulates the consumers to buy more.

Objectives of sales promotion

Sales promotion is designed to be used as a short-term tactic to boost sales. The objectives of sales promotions are as follows:

1. Stimulate inquiries from consumers, asking for detailed information about a product
2. Increase the product trials in expectation that the trial would lead to customer satisfaction
3. Encourage repurchase of goods, develop loyalty in a customer's mind
4. Initiate inventory building by retailers to help the consumers with a ready supply
5. Get the promotional assistance of dealers by co-coordinating with personal selling.

Sales promotion techniques

Promotional techniques are originated by the retailers. These techniques provide necessary support for sales promotion and can be studied under two heads as detailed below in Fig. 3.3.

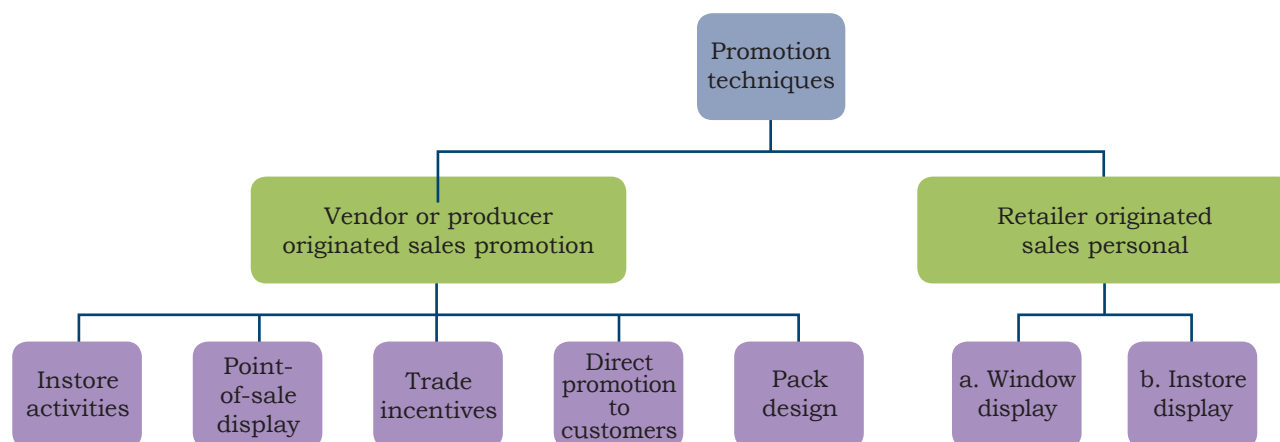
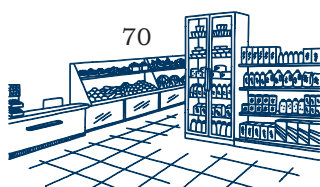


Fig. 3.3 Sales promotion techniques

(a) Vendor originated: Vendor-originated sales promotion techniques are classified as in-store activities, point of display, trade incentives, direct promotion to customers and pack design. These have been briefly discussed in the Session.



- (i) In-store activities: These activities of sales promotion are targeted to give cash or kind advantage to customers. The various type of in-store activities of sales promotion are prose off pack, premiums, small gifts, cooperative promotion, sampling, coupons, buy one get one free, multipacks, etc.
 - (ii) Point-of-sale display material: These are the material provided by vendors for placing products the customers often buy. It includes special fixtures, such as paperback publisher racks, dry battery stand and cold drink racks, etc. The other point-of-sale display includes display sign, leaflets demonstration, etc.
 - (iii) Trade incentives: These are tradeoffs or cash incentives directly provided by the vendors to the retailers. The benefit sometimes may be not extended to the customers. There can be various types of trade incentives and cash discounts, special credit terms, goods in lieu of cash, staff incentives, etc.
 - (iv) Direct promotion to customers: The vendor manufacturer may make use of direct promotion at the consumer's doorsteps. This includes the distribution of coupons and free samples.
 - (v) Pack design: It is one of the most important techniques of promotion for the retailer. The retailer may decide to accept a package design over its contents. Normally, the retailers support those packs which have a better package design.
- (b) Retailer originated:** All those measures which normally motivate the customers to buy more, and thus, increase the sale of the product are retailer originated promotion techniques. These include the following:
- (i) Window display: A window display in a shop is for displaying items for sale or otherwise designed to attract customers to the store.



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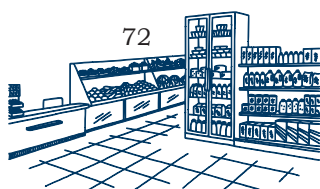
- (ii) In-store display: In-store display includes many promotion techniques, such as mass display, multiple product promotion, demonstrations, store loyalty cards, free gifts, point-of-sale display, celebrity promotion, joint promotion with other retailers, incentives to staff, etc.

Thus, we find different types of promotion techniques originated by vendor or manufacturers and retailers, which are useful in influencing the customers' buying decision.

Ways to influence customer buying

Consumer behaviour can be broadly classified as the decisions and actions that influence the purchasing behaviour of a consumer. What drives consumers to choose a particular product with respect to others is a question which is often analysed and studied by marketers. Most of the selection process involved in purchasing is based on emotions and reasoning. A sales associate is expected to handle the prospective customers in a way to convert them to users of the firm's product. The different ways which he/she can follow to convince the customers are:

1. Identify the prospective customer and take initiative for a dialogue in a friendly manner.
2. Collect as much relevant information as possible about the product's sale presentation.
3. Enlighten the product's features and advantages in comparison with the competitor's product.
4. Present or demonstrate the product with patience in an interesting manner to the prospective customer.
5. Objection raised, if any, should be attended to immediately and the issues should be resolved.
6. Enlighten on the product's warranty period and assure other sales services, if needed.
7. Maintain continuous relations with the customers to get their feedback on product satisfaction.



8. Improve selling skills, such as patience, communication, reliability, politeness, caring for the customers, etc.
9. Do not lose temper when dealing with the aggressive behaviour of potential consumer, etc.
10. If required, use sales promotion techniques to convince customers for buying decision.

Thus, the sales associate will be successful if he/she identifies the ways to convince prospective customers to take a buying decision.

Acquire knowledge of the nature of product

A sales associate will be successful if one acquires the knowledge of products offered for sale by the retail firm. Before taking steps to sell the products of vendors, the sales associate needs to have detailed knowledge of the products (see Fig. 3.4). To attend to the grievances or complaints or clarification sought by the customer, knowledge about the nature of products is important.

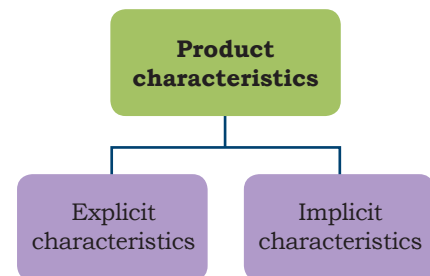


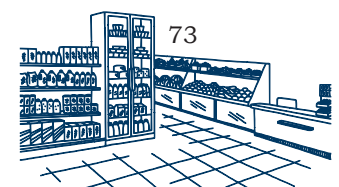
Fig. 3.4 Product characteristics

Explicit characteristics

The explicit characteristics of a product refers to those characteristics over which there is a common agreement, in both the existence and attributes of the product. There are five attributes, which require the attention of the sales associate. They are as follows:

- (a) **Physical configuration:** A product is a bundle of physical stuff. Every product has its own shape, size, density, odour, taste, texture, colour, weight and a host of other physical attributes. Hence, the sales associate has to acquire knowledge about these areas of a product to influence the customer's buying behaviour.
- (b) **Associated service:** A sales associate should have knowledge of before and after-sales service. Before-sales services include product demonstration, informing about credit facilities, if available; and after-sales services include delivery, instalation, provision of spare parts, repair service, warranties, etc.

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(c) Package and brand name: The sales associate has to gain knowledge of packaging or brand name to differentiate with competitors' brand or products. This enables to highlight the product features in comparison with other products available in the market.

(d) Product size: A sales associate must have the knowledge of a product's width, depth and consistency. Width refers to a product line's depth stood for a number of items in every product line, and consistency indicates the similarity among the product lines.

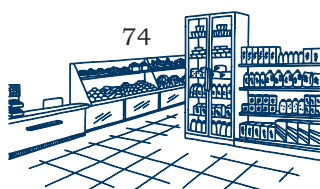
(e) Product life cycle: A product's life cycle includes introduction, growth, maturity and decline. A product can be located at any stage of its existence, and hence, the sales associate has to know at which stage of existence the product is. This enables him or her to formulate different strategies for selling goods and services.

Implicit characteristics

It is evident that every person sees a product in a different way and uniformity lacks in their viewpoint. The perception of a person may not match with the perception of another. These points of disagreements are called 'implicit characteristics'. The implicit characteristics of a product are as follows:

(a) Product symbolism: A product is a symbol by virtues of its form, size, colour and function. The significance attributed by individuals vary according to the needs and social interaction. Hence, the sales associate has to study the product in terms of status symbol, economy, performance, etc., in relation to customers' needs.

(b) Communication media: The sales associate has to determine the consumer's personal interpretation of the symbols mediated by his/her culture groups and group influence and personality. He or she has to study whether the product information



is given or hidden. The sales associate also needs to understand and communicate as to what the product is used for, at what rate, made by whom and where it is available.

(c) Product perception: Perception is the physio-psychological process. The sales associate has to understand as to how products are perceived by the consumers. These perceptions influence the marketability of a product. Hence, the sales associate has to gather information about the perception of consumers on the product sold by the retailers. This helps to reformulate product policies to suit the product needs of consumers.

(d) Product evaluation: Product evaluation helps the retailer to know consumer satisfaction over the product used by him or her. Evaluation refers to comparing the efforts involved and rewards received by the consumer. Thus, every product has both explicit and implicit characteristics, which are to be understood by the retailers. It helps the retailers to formulate successful product policies.

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Practical Exercise

Activity 1

A field visit to identify the characteristics of a product

Material required

Checklist, list of retail stores, notebook and pen or pencils

Procedure

1. Visit a nearby retail store.
2. Interact with the sales associate or store manager.
3. Identify and list the implicit and explicit characteristics of the product.
4. Prepare and submit a report based on your observation.

Activity 2

A field visit to learn the techniques of sales promotion

Material required

List of retail stores, notebook and pen or pencils

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Procedure

1. Visit a nearby retail store.
2. Observe the techniques adopted by the retailers for promoting sales.
3. Interact with the sales associate or store manager.
4. Examine and list the techniques used for sales promotion.
5. Prepare and submit a report to your teacher.

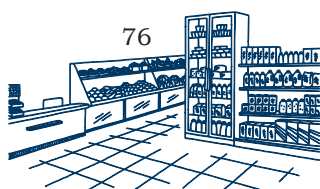
Check Your Progress

A. Fill in the blanks

1. Growing is the fastest _____ area of the marketing activities.
2. _____ activities of sales promotion are targeted to give cash or kind advantage to customers.

B. Multiple choice questions

1. Coupons are the best example of _____ for the customer.
(a) trade incentive
(b) direct promotion
(c) in-store activities
(d) None of the above
2. Package design is the sales promotion technique initiated by the _____.
(a) dealer/producer
(b) consumer
(c) retailer
(d) None of the above
3. Window display is the _____ originated sales promotion.
(a) producer
(b) dealer
(c) retailer
(d) None of the above
4. Explicit characteristics of a product refers to _____.
(a) the existence and attributes of the product
(b) nature and attributes the product
(c) Both (a) and (b)
(d) None of the above



5. Physical configuration of a product refers to _____.

- (a) shape
- (b) size
- (c) weight
- (d) All of the above

C. State whether the following are True or False

1. Sales promotion refers to communicating with the audience through personal and non-media vehicles.
2. Cash incentives are directly provided by the vendors to the retailers.
3. The retailers support packs which have better design.
4. Window display includes many promotion techniques, such as mass display, store loyalty cards, etc.

D. Match the columns

	Column A		Column B
1.	The disagreeing point in a product	A.	Physio-psychological process
2.	Common agreement for product attributes	B.	Sales promotion
3.	Perception of the product	C.	Public relations
4.	The direct and immediate	D.	Dealer promotion
5.	Comparing efforts involved and reward received	E.	Explicit product
6.	Indirect activity of sales promotion	F.	Product evaluation
7.	Direct activity of sales promotion	G.	Implicit product

E. Short answer questions

1. Define sales promotion.
2. List out vendor originated sales promotion techniques.
3. What is a point-of-sale display?
4. What is trade incentive?
5. Why is package design an important sales promotion technique?
6. What is trade incentive?
7. Differentiate between explicit and implicit characteristics of a product.
8. What is meant by physical configuration?
9. What is product symbolism?
10. What is product perception?



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F. Long answer questions

1. Define the objectives of sales promotion.
2. Explain the nature of products in detail.

G. Check your performance

1. Draw a chart on sales promotion techniques adapted by different retail formats.
2. Identify the techniques that are suitable for various retail formats.

SESSION 3: RESPONDING TO QUESTIONS AND COMMENTS

Sales associates have a key role to play with customers. They are the ones directly approached by the customer. However, even though the sales associates are called more for interacting with the customers, still it is important to train them to handle tough questions and situations arising from the customers. Training not only allows the sales associate to have some idea of what to say to the customers in a tough situation but also gives them the flexibility to adapt and add to their own personality.

Dealing with customers

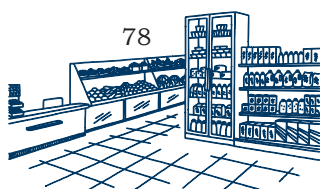
The sales associate must analyse the situation and answer accordingly. This will satisfy the customer and he or she will have a positive attitude towards the person, as well as, the service provider. Some of the questions to be kept in mind by the sales associate before starting a conversation with the customer can be as follows:

When the sales associate is unable to answer a customer's query

A sales associate must not panic for not knowing an answer because his or her responsibility is to show firmness to make things right.

Never should the sales associate say, "I don't know", as such a response will not help the customer. Instead of giving such a response, the sales associate should say that "It is a valid question. Let me find out the right thing for you".

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Place the need of the customer as important over a situation of not knowing the answer. The question must be taken to the concerned staff or superior to find out the answer and respond to the customer.

When an item is not available

Any sales associate will not prefer to tell the customer about the unavailability of a product. The main skills while dealing with the customers is the use of positive language. It helps avoid nasty or rash reactions. For example, when a customer shows interest in a product, but it is presently unavailable or will only be available after sometime, in such a situation, the sales associate might respond to the customer in two ways.

- **With positive language:** The sales associate may say that the product will be available next month and I will place an order for you, if needed.
- **Without positive language:** The sales associate may tell the customer that the product required is unavailable.
- Positive language replaces negative phrases (“I can’t...”).

When transferring call of the customer

Sometimes, the call of a customer needs to be transferred to the concerned department to help them. Customers feel happy if their concerns are addressed.

Comments made on the product and how to respond to it

Customers can often have some valuable comments and suggestions on the usage and improvement in a product. However, holding the product’s vision is the responsibility of the sales associate. If a customer gives suggestions or comments on the features of the product, then the sales associate should not respond, saying “We will take a look.” This response gives a false hope to the customers and if they check after few weeks, this may disappoint them.



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Favours that cannot be granted

Most requests from the customers are reasonable and every effort must make them happy. It is easy to say 'Yes' to some of the requests being made by the customers but there will be some requests, which are difficult to be agreed upon. The responses to such requests are to be made using positive language and politely. Showing them the possible alternatives is one of the best ways to say 'No'.

When a product is defective

Receiving a defective product is discouraging from a customer's perspective. In such a situation, showing empathy to the customer is important. Consider the examples given below to know the responses to be made and how a problem can be fixed.

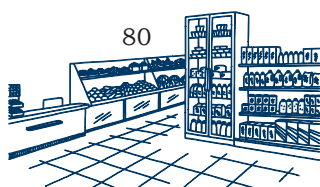
"I am so sorry to disappoint you. There was a mistake in the manufacturing process or shipping. Can I send a new one to you?" Such a response completes the important objectives given below.

- (a) Understanding a customer's frustrating experience — it explains what the problem is and how clearly an immediate solution can be given.
- (b) Depending on the type of product sold and how a business is conducted, the sales associate can respond to the customer, saying: "Should I send you a full refund?"

Closing with a customer

The sales associate must always aim to 'close' a conversation. This does not refer to closing the sale. Instead closing a conversation means that a customer is happy about the product. The sales associate has to ensure that the customer is leaving happy. This can be seen with three important things:

- (a) Care must be taken about getting what the customer requires
- (b) If the customer needs information or has a query to be answered, the sales associate must provide the right information.



- (c) The customer determines what is needed and that the need is met in a right way.

The sales associate must try ending a conversation with phrases like “I am happy to help you, sir or ma’am”, “We are happy to serve you”, etc., as they make a big impact.

Dealing with angry customers

The sales associate is required to be polite in dealing with an emotional and angry customer. The sales associate may keep the following in mind:

- (i) Apologise sincerely: “I am sorry” is a mandatory response in such situations. Make a personal apology to the customer, who has faced an ugly experience.
- (ii) Sympathise: Many a time, angry customers need to be empathised with. Even small phrases spoken by the sales associate like “I understand how upsetting that must have been,” can help the customer realise that the sales team is in the pursuit to make things right.
- (iii) Accept responsibility: The sales associate must accept responsibility for a customer’s unhappiness. It does not make the sales associate ‘at fault’.
- (iv) Prepare to help: Fixing a problem by setting the things right is important. A sales associate places a replacement order for customers. Even if things are handled perfectly, some customer simply cannot calm down. In such a situation, the sales associate should try making the best effort.

Practical Exercise

Activity 1

A role-play to learn responding to questions and comments

Material required

Notebook and pen or pencils

Procedure

1. Divide the class into pairs.

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2. Ask them to perform the following retail store activities in the retail business.
1st student: Sales associate
2nd student: Customer
3. At the end of the assignment, ask the second student to share his or her views on the sales associate's ability of providing customer satisfaction.
4. Observe how the queries were resolved during the role-play.
5. Finish the play within the allotted time.
6. Discuss the learnings from the activity and points to be covered.
7. Share your views before and after the role-play activity.

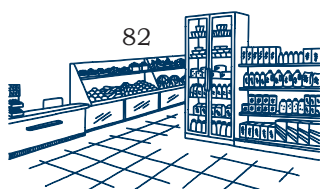
Check Your Progress

A. Fill in the blanks

1. A sales associate should always aim to _____ a conversation.
2. _____ language replaces negative phrases.
3. Receiving a defective product is discouraging from a _____ perspective
4. A sales associate gives the customer satisfaction by providing the right _____ about the product, which the customer has decided to buy.
5. A sales associate should show _____ to the customer, when any product is defective or needs replacement.

B. Multiple choice questions

1. How is a sales associate supposed to respond to an angry customer?
(a) Angrily
(b) Must apologise
(c) Complain to the superior
(d) All of the above
2. Many a time, angry customers like to be _____.
(a) empathised with
(b) argued with
(c) fought with
(d) None of the above
3. While dealing with customers, it is important to always close the sale by making the _____.
(a) customer doubtful
(b) customer happy
(c) customer move away
(d) None of the above



NOTES

4. When a sales associate is unable to answer a customer's query he or she must _____.
 (a) panic
 (b) not panic
 (c) leave the place
 (d) None of the above

C. State whether the following are True or False

1. A sales associate should not panic for not knowing an answer.
2. Training allows the sales associate to have some idea of what to say to customers in a tough situation.
3. Receiving a defective product is not discouraging from the customer's perspective.
4. Sales associates are not required to be polite to an angry customer.

D. Match the columns

	Column A		Column B
1.	Sales associate have to use positive	A	Sales
2.	Holding the product's vision is the responsibility of	B	Phrase
3.	In case of a defective product	C	Language
4.	Closing a conversation is not closing	D	Sales associate
5.	End conversation with a	E	Empathise with the customer

E. Short answer questions

1. How should a sales associate respond to a customer's query when he or she has no answer?
2. How should a sales associate reply to the customer when a particular item is not available in the store?
3. How should a sales associate react to the comments made by customers on a product?

F. Long answer questions

1. Explain how a sales associate should respond to questions regarding transferring a call of the customer, product quality and defective product.
2. How should a sales associate handle severely angry customers?

G. Check your performance

1. Identify situations where a sales associate is unable to answer or items are not available.
2. Demonstrate customer handling skills.
3. Perform role-play on closing a conversation with a customer.

MECHANISM FOR CUSTOMERS TO CHOOSE RIGHT PRODUCTS



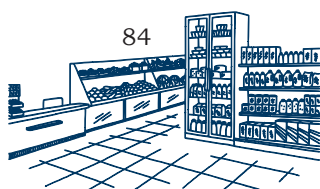
SESSION 4: TECHNIQUES OF CLOSING A SALE

Closing a sale, an important part of personal selling process, refers to completing a sales transaction – it is the final step while making a sales call to a customer. It refers to the customer signing on the dotted line of the agreement completing the sale. The sales process is adaptive, which means that each situation may be different and sales associates have to adapt and understand what is important to each customer and where each is in the buying process. But in order for a sales associate to use adaptive selling, he or she must thoroughly understand the steps in the selling process and how each works to use them effectively.

Factors influencing the successful closing of sales

Sales associates are, generally, evaluated by their ability to close the sales. They have to acquire and practise some special qualities, which may help in the successful closing of sale.

- **Salesperson's personality:** The personality of the sales associate influences the closing of a sale. It refers to the sum total of everything about a salesperson that influences the prospects favourably. The personality of the sales associate is divided into physical, mental, social and character. The physical attributes are sound health, neat appearance and voice. The mental qualities are alertness, confidence, enthusiasm, observation, etc. The social qualities include friendly appearance, condensability, courtesy, cooperation, manners, etc. These characteristics help the sales associate in closing a sale favourably.
- **Awareness of company policies:** The sales associate must have the basic knowledge of the company when he or she intends to close the sale with prospective customers. He or she must be aware of the history of the company — its origin and later changes, philosophy and policies, etc. This enables the sales associate to clarify all



queries of the prospective customers and induce them to purchase goods.

- **Product information:** Product knowledge is necessary for the sales associate. He or she gives every possible information to the customer about the product to get orders. It includes different models, size, weight, ingredients, packaging, quality, price, discount offered, benefits, replacement, after-sales service, etc. This helps the sales associate to close the sale favourably with the prospective customers.
- **Need of customer:** In order to close the sale, sales associate should have the knowledge of prospective customers. He or she has to study in detail their buying behaviour, likes and dislikes, nature and type of customers, etc. This will enable him or her to adopt suitable strategies to close the sale.
- **Information on competing products:** The knowledge of the availability of the product and competitors in the market helps the sales associate to highlight relative merits of the product and closing a sale becomes an easy task.

Thus, these five factors are crucial for the sales associate in closing a sale with the prospective customers.

Techniques of closing a sale

It is evident that the retailer gets the revenue only when a sale takes place. Any sale is considered to be complete and closed when the sales associate gets an order from a prospective customer. The retailer adopts different types of techniques to close sale. They are as follows:

- **Natural close:** It is also called as 'ask for it' close. The sales associate has to be sure that the customer does not sense that he or she is using a special formula to close a sale. The closing technique should appear as a natural development from the sales conversation. It has to be like a natural resolution of the sales interview without

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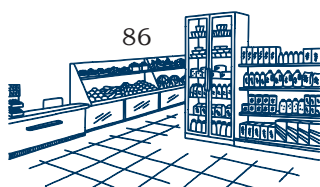
MECHANISM FOR CUSTOMERS TO CHOOSE RIGHT PRODUCTS



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the customer knowing the special tactics of the sales associate.

- **The order form close:** It is different from the natural close technique, i.e., the questions asked are not in direct reference to the purchase. Here, the sales associate has to sound natural and avoid any rejection. For example, “Sir, shall I make the invoice or bill?”
- **The alternative close:** In this technique, the sales associate assumes that the customer visiting a store will definitely buy a product. The only thing that is not decided is the design, colour, style, shape, etc. Hence, product presentation is important in this technique of closing the sale. The sales associate has to present an alternative option, which suits the needs of the customer. It should provoke the customer to make the final choice between the product options that were presented.
- **The summary close:** Here, the sales associate summarises the list of benefits that the customer receives if a product is purchased from the store. The sales associate may say that “we have reached the end of sale, so may I highlight the main points so that we could close a deal. This technique is one of the most natural methods of closing a sale and is used by the sales associate for those customers, who are unpredictable.
- **The cautionary tale close:** The techniques of closing a sale are, usually, adopted by the retailer to motivate the customers to decide in favour of the purchase of a product. It has proved to be a useful technique for closing the sale. It is possible to motivate undecided customers to take a purchase decision. It helps the customer to know the implication of failing to decide to purchase the product at that very moment. Hence, the sales associate tries not to make up stories to motivate the customers to buy.



SALES ASSOCIATE – CLASS XI

- **The final objection close:** Inspite of all efforts of the sales associate, the customer sometimes may have some objection right at the end of the sale process. The customer may feel hesitant to mention the objection point. The sales associate has to try and persuade the customer to communicate the objection point as the final objection may affect his/her buying decision in the process of buying the product.
- **The conditional close:** This technique can be used by the sales associate for that customer, who is very slow in making a decision. These customers may have the intention to buy a product but, usually, find an excuse that they can delay their decision. At this point, the sales associate should assure and develop confidence in the customer that if any help is required, he/she will be at service. Hence, the sales associate has to come forth with the conditional close in as subtle way, assuring the customer of the best service.
- **The lost sales approach:** Different types of customers visit a store. Some come with a definite decision to purchase, some may be inductive, some may develop objection to purchase in the end. The sales associate must not feel that he or she has lost sale with such type of customers. The lost sale can be realised with further conversation with the customers. He or she has to deal with them in maintaining a sense of balance. Therefore, lost sale can be converted as actual sale with the additional selling efforts of the salesperson.
- **The assumption close:** The customer's manners, body language or comment may indicate the decision that he or she made to buy a product. The expressions and communication of the customer with the sales associate gives an opportunity to make an assumption close, which means not having the purchase. It gives the customer a chance to make a painless decision.



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- **The balance sheet close:** It is closing technique in which the sales associate assists an indecisive prospect to list on paper the arguments 'for' and 'against' a particular product choice.

Practical Exercise

Activity 1

Visit a nearby organised retail store and observe the closing techniques adopted by the retailer

Material required

Pen, pencil and notebook

Procedure

1. Visit a nearby organised retail store along with your teacher.
2. Observe the closing techniques adopted by a salesperson.
3. Present your views on the following:

- Final objection close _____

- Summary close _____

4. Draw up your side of balance sheet close

Sales associate reason for	Buyer's reason against

Activity 2

Visit a nearby retail store and observe a technique adopted by the retailer or salesperson to close a sale with the customer. Present your observations in the form of a report in 1000 words.

Check Your Progress

A. Fill in blanks

1. The last step in the selling process is _____.
2. _____ means the act of actually getting prospect's assets to a sales proposal.
3. Natural close is also called _____.



4. The technique in which the questions asked are not in direct reference to the purchase is called _____.

B. Multiple choice questions

1. The technique in which a sales associate assumes that a customer visiting a store will definitely buy a product is called _____.
 (a) natural close
 (b) summary close
 (c) alternative close
 (d) None of the above
2. The process of summarising the list of benefits customer gets is known as _____.
 (a) final objective close
 (b) summary close
 (c) cautionary tale close
 (d) None of the above
3. The closing technique, which is intended to motivate the customer to buy a product is known as _____.
 (a) conditional table close
 (b) conditional close
 (c) balance sheet close
 (d) lost sales approach
4. The closing technique, which is intended for customers who are slow in making decisions is called _____.
 (a) conditional close
 (b) assumption close
 (c) balance sheet close
 (d) lost sales approach
5. In which selling technique does a sales associate reasons for and the buyer's reasons against a product?
 (a) Lost sales approach
 (b) Summary close
 (c) Balance sheet close
 (d) None of the above

C. State whether the following are True or False

1. Having a friendly appearance is a social quality of a sales associate.
2. In an alternative close, the sales associate has to provoke a customer to make the final choice between different products.
3. For unpredictable customers, the techniques for closing a sale are called alternative close.
4. The implications of failing to decide to purchase a product at the very moment is called final objective close.



NOTES

D. Match the columns

Column A		Column B	
1.	Conditional close	A	Motivating the customer
2.	Final objection close	B	Reason for and against
3.	Lost sales approach	C	Objective right at the end
4.	Assumption close	D	show in making decision
5.	Balance sheet close	E	Loss of customer
6.	The cautionary tale close	F	Expressions and communication of customers

E. Short answer questions

1. Define closing of sale.
2. What is natural close?
3. What do you understand by the term 'summary close'?
4. What is meant by 'balance sheet close'?

F. Long answer questions

1. What is closing a sale? Explain the factors influencing successful closing of sale.
2. Discuss the techniques of closing a sale.

G. Check your performance

1. Demonstrate the various techniques for closing a sale.
2. Identify the types and techniques of closing a sale.

